

## Message Text

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ORIGIN ABF-01

INFO OCT-01 EUR-12 ISO-00 EB-08 /022 R

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UR/CAN:MGMONROE  
EB/ORF/ISM:MDEWITT

-----075680 221827Z /53

R 221650Z AUG 78  
FM SECSTATE WASHDC  
TO AMEMBASSY OTTAWA

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E.O. 11652: N/A

TAGS:AGAO, EMIN, CA

SUBJECT: GAO REVIEW: "ASSESSMENT OF INCREASING RELIANCE OF  
U.S. MANUFACTURERS ON FOREIGN PROCESSED MATERIALS"

1. THE GAO HAS INFORMED THE DEPARTMENT THAT SUBJECT REVIEW WHICH HAS BEEN IN PROGRESS AT U.S. GOVERNMENT AGENCIES AND PRIVATE COMMERCIAL FIRMS WILL BE BROADENED TO SELECTED FOREIGN POSTS. PURPOSE OF THESE INQUIRIES WILL BE TO OBTAIN COMPARATIVE INFORMATION AS TO WAYS FOREIGN GOVERNMENTS ARE INFLUENCING INVESTMENT DECISIONS FOR MINING AND MINERAL PROCESSING FACILITIES IN THE ALUMINUM, COPPER, ZINC AND FERROALLOY INDUSTRIES.
2. THE GAO WOULD APPRECIATE THE POST'S ASSISTANCE IN PROVIDING ANSWERS FROM AVAILABLE RESOURCES TO THE FOLLOWING QUESTIONS AS THEY APPLY TO CANADA'S ALUMINUM, COPPER, ZINC AND FERROALLOY INDUSTRIES. THE GAO WOULD LIKE TO RECEIVE LIMITED OFFICIAL USE

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THIS INFORMATION BY OCTOBER 15 SO THAT IT CAN BE INCORPORATED INTO ITS FINAL REPORT. TO FACILITATE THE TRANSMISSION AND DELIVERY OF THE REQUESTED DATA, IT IS RECOMMENDED THAT THE POST USE AIRGRAMS OR CABLES AND AIR POUCH MATERIALS TO THE DEPARTMENT ADDRESSED TO THE GAO LIAISON STAFF OFFICE, A/BF/OAG, ROOM 4253.

--A. WHAT ROLE DOES THE FEDERAL GOVERNMENT PLAY IN ENCOURAGING THE DEVELOPMENT OF THE IDENTIFIED INDUSTRIES-- ESPECIALLY WITH REGARD TO MINERALS EXPLORATION AND PROCESSING OF ORES AND CONCENTRATES INTO METALS?

--B. HAS CANADA'S DEPARTMENT OF ENERGY, MINES AND RESOURCES ATTEMPTED TO QUANTIFY GOALS FOR MINE AND METAL PRODUCTION FOR THE SUBJECT METALS?

--C. WHAT IMPACT HAS THE CANADA DEVELOPMENT CORPORATION HAD ON THE GROWTH OF THE NON-FERROUS AND FERROALLOY INDUSTRIES?

--D. DOES THE GOVERNMENT ATTEMPT TO MAINTAIN PRODUCTION LEVELS AT TIMES WHEN TRADITIONAL ECONOMIC CONSIDERATIONS DICTATE DOING OTHERWISE?

--E. DESCRIBE ANY SPECIFIC FEDERAL TAX POLICIES SUCH AS TAX REDUCTIONS, HOLIDAYS OR DEFERRALS DESIGNED TO ENCOURAGE DEVELOPMENT IN THE MINING AND MINERAL PROCESSING INDUSTRIES.

--F. DESCRIBE FEDERAL ENVIRONMENTAL REGULATIONS SUCH AS AIR AND WATER QUALITY STANDARDS AND LAND USE RESTRICTIONS WHICH HAVE SPECIFIC APPLICATION TO METAL MINING AND PROCESSING OPERATIONS.  
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--G. DESCRIBE SIGNIFICANT FEDERAL OSHA-TYPE WORKER SAFETY REGULATIONS.

--H. WHAT TARIFF AND NON TARIFF METHODS ARE USED TO DETER IMPORTS AND ENCOURAGE EXPORTS OF REFINED METALS?

--I. HAS THE FOREIGN INVESTMENT REVIEW AGENCY DENIED ANY INVESTMENTS IN THE MINING/METALS PROCESSING SECTOR?

--J. HOW ACTIVE IS THE EXPORT DEVELOPMENT CORP. IN OVERSEAS MINING OR METALS PROCESSING VENTURES? HAS THIS AGENCY BEEN INVOLVED IN ANY PROJECTS IN THE UNITED STATES?

3. IT WOULD ALSO BE APPRECIATED IF THE POST WOULD IDENTIFY ANY AIRGRAMS OR OTHER MATERIALS PREPARED BY THE MISSION DEALING WITH ISSUES MENTIONED ABOVE WHICH HAVE BEEN SUBMITTED TO THE DEPARTMENT.

4. IT IS THE DEPARTMENT'S POLICY TO BE OF ASSISTANCE TO THE GAO AND TO BE AS HELPFUL AS POSSIBLE WITHIN THE

GUIDELINES OF 4 FAM 930-934. ANY QUESTIONS OR PROBLEMS

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THAT SHOULD ARISE DURING THE COURSE OF THIS EFFORT,  
PARTICULARLY REGARDING GAO ACCESS TO INFORMATION, SHOULD  
BE REFERRED TO THE DEPARTMENT. CHRISTOPHER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INDUSTRY, FOREIGN INVESTMENT CONTROLS, GAO AUDITS  
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**Draft Date:** 22 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Number:** 1978STATE212803  
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**Document Unique ID:** 00  
**Drafter:** JHSOUTHERLAND  
**Enclosure:** n/a  
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**Expiration:**  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Subject:** GAO REVIEW: \"ASSESSMENT OF INCREASING RELIANCE OF U.S. MANUFACTURERS ON FOREIGN PROCESSED MATERIALS\"  
**TAGS:** AGAO, EMIN, CA, US  
**To:** OTTAWA  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/d269635f-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
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20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014